

NEWS RELEASE

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BLM, OCD, Oil and Gas Industry Team Up to Stop Illegal Dumping of Produced Water

In a desert that's faced years of drought, seeing water on the ground can be quite a relief. The practice of dumping extra sources of water onto that same parched land may not seem like a bad thing but what happens when the water being poured over the ground is poisonous, or is killing off plants and wildlife?

Though most people may not know it, this is exactly what's happening with the illegal dumping of produced water on public lands in Lea and Eddy counties.

"During the past few years we have seen an increase in illegal disposal of produced water throughout Southeast New Mexico," said Tony Herrell, manager of the Bureau of Land Management's (BLM) Carlsbad Field Office. "Our goal is to eliminate this practice."

"Produced water" is a byproduct of oil and gas production. It's water that is pulled up with petroleum and it must be disposed of properly. Most produced water is very salty and some of it may contain heavy metals and/or volatile organic compounds which can sterilize the ground and kill off vegetation and wildlife.

Herrell, who started his job in November, has been partnering with BLM's state counterpart, the New Mexico Oil Conservation Division (OCD), and local oil and gas companies like Marbob Energy, Devon Energy and Yates Petroleum as part of a new BLM way of doing business.

"We [the BLM] believe that approaching our problems by asking industry for help will result in the best protection of the environment and allow for the development of mineral resources," said Herrell.

So far Herrell's efforts seem to be paying off.

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"We realize that the BLM and the OCD can't be everywhere at one time," said Marbob Energy's President Johnny Gray. "And it's an absolute necessity that we stop produced water dumping from happening. It's bad for the environment and bad for the industry."

The Problem

One of the biggest problems with safe disposal of produced water has been from uncertified disposal companies created to meet current production demands created by high oil prices, according to BLM's Hazardous Materials Specialist Link Lacewell.

State and Federal requirements for produced water are to put it back into the formation from which it came through an injection well. Rather than using approved disposal facilities, some produced water hauling companies cut corners by dumping the water wherever they think they can without getting caught.

"We call these illegal water dumpers 'Midnight Truckers," said OCD's Director Mark Fesmire. "They put all of our groundwater at risk of contamination and create a competitive disadvantage for the reputable, law-abiding truckers and operators."

Gray agreed, noting that "mom and pop" operations don't really have places to take disposal water. The only way for some of the smaller, newer companies to compete is by dumping illegally, Gray said.

Working Together

"The state has the legal ability to fine the truckers," said Fesmire. "While we can't be everywhere, partnering with the trucking industry, oil and gas companies, local law enforcement and the BLM will help us expand our ability to catch violators and put a stop to this practice.

Companies like Marbob Energy strongly support established produced water hauling trucking businesses like Steve Carter, Inc., which has been around since 1976 and employs 70 people.

Ray Westall, an oil and gas operator and the owner of Steve Carter, Inc., has offered his drivers a \$1,000 reward and given them a camera to take pictures of illegal produced water dumping.

"Part of our job is to help these prudent people that actually go out and haul our water; the solid companies," said Gray. To that end, Marbob Energy offered a matching \$1,000 reward to Westall's drivers and operators and made that same offer to all water haulers in the area.

Wise Eves

Devon Energy, with production facilities in five states, is the financial sponsor of an interstate rolling crime watch program called 'Wise Eyes' that helps local law enforcement agencies establish community crime watch networks. According to Devon spokesperson Margaret Hitchcock, the program works well in rural counties where sheriff departments train local company workers who travel rural roads and might notice something suspicious.

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"We are pleased that Wise Eyes is a potential tool for addressing illegal water dumping practices in the Artesia area," Cecil Thurmond Superintendent said. "We consider proper disposal of produced water a critical issue in southeastern New Mexico. Conservation of the region's water resources is a responsibility we share with our neighbors and other members of the oil and natural gas industry."

Wise Eyes came to Eddy County in May and to Lea County in September. Carlsbad is next on the list of partners; Devon has already printed materials for the rollout set to take place some time this year.

An Alternative Solution

Yates Petroleum avoids this problem altogether with a number of wells in the Dagger Draw field. These wells send their produced water into a pipeline that carries the water directly to an injection well, thereby avoiding the possibility that a third-party service company might dump the water illegally. (Devon Energy and other companies have similar solutions.) However, Yates does have other wells that require water hauling.

"For those wells we try to contract with the most reputable service companies we can find," said Frank Yates, Vice-President of Yates Petroleum. "But we still recognize that the industry has a problem in this area, and all Yates personnel are certainly keeping their eyes out for service companies that don't respect the law or our land. If we catch them we'll be calling the Sheriff."

